

OFFICE OF ADMINISTRATION

Policies and Procedures

Division of Purchasing and Materials Management

Missouri State Agency for Surplus Property

State Surplus Property

PURPOSE:

This manual sets forth policies and procedures governing the acquisition, disposition or transfer of all state-owned surplus property. It applies to State departments within the State of Missouri and the general public.

I. GENERAL

- A. Chapter 34, Section 34.140, RSMo, 1999, states "The commissioner of administration may distribute surplus or unneeded supplies or property to volunteer fire protection associations, as defined in section 320.300, RSMo, to fire protection districts, to fire departments and to eligible donees, as that term is defined in connection with the federal surplus property program, in the same manner as provided for the distribution of federal surplus property. The commissioner of administration may distribute surplus or unneeded supplies or property to an organization registered as a 501(c)3 not-for-profit, public service corporation which provides training to fire departments, emergency medical technicians and police officers in search and recovery techniques, water rescue, ice rescue and watercraft operation in the same manner as provided for the distribution of federal surplus property. The commissioner of administration may sell surplus or unneeded supplies or property which are not transferred to state agencies or distributed to eligible donees to the general public by auction, sealed bid."
- B. Each State department is required to submit reports of available surplus property to the Missouri State Agency for Surplus Property located in Jefferson City (hereafter referred to as MOSASP). Unless a department is specifically exempt by Statute from compliance with Chapter 34 RSMo, compliance with these policies and procedures is required.
- C. MOSASP mailing address is P O Drawer 1310, Jefferson City, MO 65102-1310. The telephone number is 573-751-3415 or 888-295-7796 and the fax number is 573-526-8489. The street address is 117 North Riverside Drive, Jefferson City, Missouri.

II. INTRA-DEPARTMENTAL PROPERTY TRANSFER

Prior to reporting surplus property to MOSASP, the reporting department may attempt to transfer the property to another division within that department. A list of available property may be circulated to all agencies within that department.

III. REPORTING SURPLUS PROPERTY TO MOSASP

A. Report of Surplus Property

Reporting department shall complete form MO 300-1249, Report of State Owned Surplus Property, (hereafter referred to as SS-1).

A separate SS-1 will be used for each funding source and the SS-1 will be annotated to indicate source of funds with SAMII deposit information including fund, agency, and organization. In addition, departments can indicate activity code, function code, and reporting category if they use those fields in SAMII. The funding source must be the same as the property was originally purchased with. For items originally purchased with a funding source that does not require reimbursement, funding source should be listed as General Revenue (no deposit codes needed).

Reporting department should list on SS-1 any special situations that may apply, i.e., removal deadlines, when available if still in use, special removal requirements such as weight or size, material handling equipment requirements, loading dock and material handling equipment available, etc.

Fax a copy or forward the top four (4) copies of SS-1 to MOSASP and retain the goldenrod copy for reporting department's records. MOSASP fax number is 573-526-8489.

MOSASP has no authority for disposal of real property or items attached to, or made part of, buildings or land. This would include storage sheds, boilers, air conditioning systems, walk-in-coolers or any other item attached to a building or land. A department may remove the property from its attachment to the building or land, and then the property can be sold by MOSASP.

Property reported to MOSASP shall be stored at reporting department's location pending disposition instructions from MOSASP. The reporting department may request authorization for an on-site sale or to transport surplus property to MOSASP. **Surplus property shall not be transported to MOSASP without prior authorization from MOSASP.**

B. Methods of Disposal

1. Direct transfer

Reporting department may make a direct transfer to another State department that has a need for such item if it was purchased with funds from the same funding source, i.e., if the item was purchased with General Revenue and the acquiring department is funded with General Revenue funds. Transfers will be in accordance with all applicable Federal and State laws and regulations. Direct transfer may be accomplished between reporting and acquiring departments by completing form MO 300-1254, Redistribution Authorization, (hereafter referred to as SS-2) and forwarding two (2) copies to MOSASP. It is not necessary to complete an SS-1 on direct transfers. Direct transfer may be made on all items except vehicles or items valued at \$1,000 or more. Vehicles and items valued at \$1,000 or more must be reported to MOSASP on form SS-1 listing anyone interested in acquiring property.

2. On-site sales

MOSASP, in coordination with reporting department, may sell surplus property from reporting department storage site by (1) invoice to eligible donees or other departments as specified in Section I. A., (2) sealed bid or (3) public auction (see Section V).

3. Local disposal

- a. Reporting department may request local disposal authorization from MOSASP on items that they determine to have little or no transfer or sale value. Items that should be considered for local disposal include condemned wood furniture; broken, torn or wet stuffed couches and chairs; mattresses; potentially hazardous material; used tires; batteries; condemned appliances; computer dummy terminals; etc. MOSASP may grant local

disposal for specific items listed on SS-1 and give instructions for the remaining items. MOSASP may grant local disposal for a given class of items disposed of during a fiscal year. When approved, a copy of SS-1 will be attached to the local disposal authority and returned to reporting department. Local disposal may not be completed without prior written approval by MOSASP.

- b. Methods of local disposal include the following options: (1) obtaining a minimum of three bids for the item if department considers item to be of value, depositing proceeds to appropriate funding; (2) if department determines item has no value, department may destroy the item by placing in dumpster, taking to landfill, etc. Departments with property requiring special handling should follow instructions in Section C.

When local disposal is complete, reporting department is to complete Part 1 or Part 2 of local disposal authorization and return copy to MOSASP.

4. Trade-In

There may be opportunities to trade in surplus items on like items. It must be determined that this is monetarily advantageous to the State of Missouri. Consideration must be given as to the price of the item with and without trade and the value of the item to be traded. Include trade-in facts and figures on the SS-1 and submit to MOSASP for approval. Trade-ins for like items are normally approved (i.e. condemned garden tractor for a new garden tractor). All trade-in requests must be submitted to MOSASP for approval unless included in bid document by OA Purchasing.

5. Property delivered to MOSASP

When surplus property is delivered to MOSASP, reporting department will be required to identify items delivered to MOSASP as the items listed on SS-1. If the delivery personnel are not able to identify each item, reporting department may be required to have other personnel at MOSASP that can identify items as listed on SS-1. Many items may not have inventory tags or other identification (serial number, model number, etc.), and it will be the responsibility of the reporting department's personnel to identify the item as listed on the SS-1. If the item cannot be identified, MOSASP may return the item or add item to SS-1 listing. Only items that can be identified as those listed on SS-1 will be accepted by MOSASP. Property that is not accepted because of condition or because it is not identifiable on the SS-1 may be returned on the department's delivery vehicle. Reporting department will be provided a signed copy of SS-1 for inventory control for all items delivered and accepted. MOSASP will approve local disposal authorization for items returned because of condition.

C. Property Requiring Special Handling

1. Safes, desks, file cabinets, and other lockable items

- a. Safes and other items that require a combination must be delivered to MOSASP with the safe door(s) open and in a locked position. The combination should be placed in an envelope attached to the outside and should be annotated on the SS-1.
- b. File cabinets, desks, supply cabinets and other items that have a key locking device should be delivered to MOSASP unlocked, with the key attached to the outside in an envelope.

2. Titled vehicles

- a. Form SS-1 must show the following information: year, make, model, vehicle identification number, and mileage. Reporting department should list known major deficiencies, if vehicle is drivable, or any other information considered pertinent to disposal.
- b. The Certificate of Title must be surrendered to MOSASP unsigned. The back of the title should be left blank. Certificate of Title must be in department's name and must be submitted with the SS-1 to be accepted.
- c. Prior to surrendering any vehicle, all decals, markings, bumper stickers, license plates, and property from trunk, glove box, and interior must be removed. This is to include any painted lettering or stickers indicating that this was a State of Missouri vehicle. Failure to do so will result in vehicle not being accepted by MOSASP.

3. Drugs, needles, syringes, and other sensitive medical items

- a. The reporting department may circulate listings only to other State governed medical facilities with an informational copy to MOSASP.
- b. MOSASP is not authorized to handle bio hazardous material and cannot handle, dispense, or dispose of items of this nature. These items must be disposed of in a manner prescribed by Federal and State law.

4. Hazardous or potentially hazardous surplus property

Hazardous or potentially hazardous property will not be accepted by MOSASP. It is the responsibility of the reporting department to dispose of such property in accordance with applicable laws and regulations. Some of this material may be recycled.

5. Hazardous waste

MOSASP will not accept hazardous waste. Such property shall be handled in accordance with Federal and State law.

6. Recycled property

Property, with the exception of scrap metal, that will be recycled does not need to be reported to MOSASP. Contact OA/DPMM's State Recycling Program for guidance regarding the recycling of certain materials.

Office of the State Recycling Coordinator
 O.A./Division of Purchasing and Materials Management
 P.O. Box 809/HST Building, Room 630
 Jefferson City, MO 65102-0809
 Phone: 573-751-1684, Fax: 573-526-3676
<http://www.oa.state.mo.us/purch/recypro.htm>

7. Computers and software

- a. Sensitive information on the hard drive must be removed. Agencies must ensure that CDs and floppy disks are removed from machines.
- b. Computer software may not be transferred without a copy of the license agreement. It is the responsibility of the departments to determine licensing restrictions when transferring software. Software will not be accepted by MOSASP. It is suggested that the software

disks and manuals be recycled. Licensed software installed on computers that are surplus, must be removed unless the license is sent with the computer.

8. Firearms, ammunition, shell casings

MOSASP will not accept any of these items. It may be possible for reporting department to sell the items to a law enforcement agency or trade-in on items that are needed. Disposal of any of this type of inventory must be accomplished following strict federal, state and local laws, regulations and procedures. Technical questions may be answered by Missouri State Highway Patrol (573-526-6144) or FBI ATF (417-864-7007).

IV. REDISTRIBUTION OF SURPLUS PROPERTY BETWEEN DEPARTMENTS BY MOSASP

A. Property Located at MOSASP Facility

1. MOSASP may make surplus property available on a "first come, first served" basis.
2. Surplus property located at MOSASP may be inspected after it is properly checked in from reporting department. Property may be inspected on State workdays during regular business hours (8:00 a.m. through 4:30 p.m. unless otherwise declared). Property selected may be placed on hold for up to five working days.
3. Transfer of property will be at no charge if it was originally purchased with funds from the same funding source as acquiring agency utilizes. Department receiving property will sign an SS-2 at the time property is picked up and will be given a copy for inventory control. Only those persons authorized to sign for and acquire MOSASP federal property will be able to sign for State surplus property. Departments that are exempt by statute from compliance with Chapter 34 RSMo may receive property from MOSASP at no charge if acquiring agency utilizes same funding source. If the funding source is General Revenue, acquiring agency must comply with Section V for the sale of the property when it is no longer needed. Acquiring agency must send form SS-1 to MOSASP listing property for further instructions. It will be determined by MOSASP if the property may be sold at agency's location or if property should be delivered to MOSASP.
4. Property that was originally acquired with special funds, may require reimbursement.
 - a. If the acquiring department normally operates with the same funding, and is authorized to acquire the surplus property, transfer will be made at no charge. It will be the responsibility of the acquiring department to maintain the property in their inventory under the same funding as property was originally acquired.
 - b. If the acquiring department does not meet the requirements stated in IV.A.4.a., then the acquiring department will be charged for the property. Price is based on fair market value as determined by MOSASP. An invoice will be will be issued by MOSASP to the acquiring department for payment. After payment is received by MOSASP, reimbursement will be made to the appropriate fund.

B. Property Available at Other Locations

1. Lists of surplus property located at other State departments may be reviewed at MOSASP office. The State surplus property on these lists is available to eligible departments as defined in Chapter 34.140 of Missouri Revised Statutes (see I. A.). Eligible departments must coordinate viewing of available property with reporting department personnel.

2. If the acquiring department does not meet the requirements stated in IV.A.4.a., then the acquiring department will be charged for the property. Price is based on fair market value as determined by MOSASP. An invoice will be issued by MOSASP to the acquiring department for payment. After payment is received by MOSASP, reimbursement will be made to the appropriate fund.

V. SALES

After the reporting department submits an SS-1 to MOSASP and it is determined that the property cannot be re-transferred, MOSASP shall determine the best method to dispose of the property. (It should be noted that state department employees may be prohibited by departmental policy from purchasing State property.)

A. Sealed Bids at Locations Other than MOSASP

1. MOSASP will be responsible for:

- a. Contacting reporting department either by an on-site visit or by telephone. This contact will be made to assist the department in assembly of surplus items into saleable lots and assignment of lot numbers. MOSASP, in coordination with reporting department, will establish inspection and bid closing dates and times. Normally the sealed bid process should be completed and property removed in approximately 90 days.
- b. Preparation and distribution of Sealed Bid Sale documents and providing reporting department copies for sales purposes.
- c. Receiving sealed bids, opening the bids and awarding the property to the highest bidder. A written Notification of Award (SS7) will be mailed to awardee and a copy will be sent to reporting department. All payments must be made by awardee to MOSASP. Reporting department shall not accept payments.
- d. Providing copies of Receipt for Payment for Release of Property to reporting department after payment is received by MOSASP.
- e. Considering local disposal when no acceptable bids are received on a lot.
- f. When applicable, awarding lot to second high bidder if highest bidder defaults.
- g. Removing the name of any bidder who defaults from the bidders list for future sales.

2. Reporting department will be responsible for:

- a. Securing, locating and separating property by lot for potential bidders to inspect by inspection date.
- b. Marking lot numbers on each item in each lot per MOSASP instructions.
- c. Assigning an individual to show property during inspection times.
- d. Releasing property to buyer in accordance with MOSASP instructions. MOSASP will furnish reporting department with a copy of each Receipt of Payment (SS7) (canary copy)

which is authority to release property. When bidder removes the property, reporting department shall have buyer or an authorized representative sign in the space provided, and file with their records. The bidder's signature on this document indicates they have received awarded property.

- e. Deleting items from their inventory records after property has been signed for and removed by the buyer. If the buyer fails to pay for or pick up property, it remains part of the department's inventory.
- f. Ensuring that the property is not released until payment is received at MOSASP and SS-7 is sent to reporting department. Payment shall not be accepted by reporting department.
- g. Notifying MOSASP in writing of property not removed within twenty (20) working days after award.

B. Auctions at Locations Other than MOSASP

Reporting department may request that an auction be conducted at their site. Department shall submit a written request at least sixty (60) days prior to proposed date of auction. MOSASP will consider the request and advise reporting department on the status of the request.

1. MOSASP will be responsible for:

- a. Contacting reporting department to discuss sale method.
- b. Coordinating date of auction with reporting department, contract auctioneer, and OA Staff Services.
- c. Making visit to site to assist department in assembly of property into lots and marking lot numbers on property if necessary.
- d. Preparing and mailing Auction Notice to prospective bidders utilizing MOSASP mailing list if reporting department elects not to prepare and mail the notice.
- e. Reviewing lots prior to sale (normally during auction inspection).
- f. Preparing Bidder Registration Cards (form MO 300-1250) and Auction Clerk Sheets (form MO 300-1251)
- g. Preparing list of property to hand out to prospective bidders if reporting department elects not to do so. The auction document shall include a list of all property, terms and conditions of the auction, notices, removal instructions and default terms.
- h. Making announcements at beginning of auction describing any special terms and conditions, notices, removal instructions and default terms.
- i. Handling disputes about auction bid amounts and high bidders.
- j. Totaling auction and balancing with OA Staff Services.

- k. Submitting documentation to Staff Services to pay expenses and distribute funds to proper funding source(s).
- l. Recording auction and maintaining tapes until auction has been closed out and funds distributed.

2. Reporting department will be responsible for:

- a. Submitting to MOSASP, 30 days before auction date, a generalized listing of items to be sold. List is for use on Auction Notice that is mailed approximately 3 weeks prior to auction date. Department should include names and addresses of additional interested parties that have requested notification.
- b. Preparing and mailing Auction Notice to prospective bidders. MOSASP maintains a mailing list that department may utilize. MOSASP will prepare and mail this notice if department elects.
- c. Submitting to MOSASP, 7 days before auction date, a complete SS-1 listing items to be sold. This must include funding source(s) for all items to be sold. Do not send titles (see V.B.2.i.). All special terms and conditions and removal deadlines must be indicated.
- d. Lotting of items in accordance with MOSASP instructions, marking lot numbers on all items in each lot.
- e. Preparing list to hand out to prospective bidders that will include terms and conditions of the auction, notices, removal instructions, and default terms. MOSASP will prepare list if department elects.
- f. Providing security of property from time property is put into lots through the authorized removal of the property.
- g. Providing separation of lots and proper displaying of lots so items can be easily identified for inspection and sale.
- h. Providing restroom facilities for people attending inspection, auction, and auction property removal period (Port-A-Potties are acceptable).
- i. Submitting titles to all applicable vehicles, boats, trailers, etc. to MOSASP personnel on day of inspection. Titles and vehicle must be prepared as outlined in III.C.2. Any deviance from listed requirements may be cause for titled item not to be sold.
- j. Providing area for cashiering and clerk functions. This is to include two 6-foot tables, chairs, three calculators, and electricity.
- k. Providing two employees to assist cashier.
- l. Providing qualified armed security personnel to guard cash and accompany cashier to bank following close out of sale. This may be provided by Staff Services if department elects. Department is responsible for security personnel's expenses and overtime.

- m. Providing employees and equipment as necessary to assist buyers in removing property. This may be an optional requirement.
- n. Providing personnel to handle disputes and make decisions after MOSASP leaves auction site.
- o. In the event the building is to be demolished, agency is responsible for notifying MOSASP of demolition agreements. Auction must be held before prebid of demolition contract.

3. O.A. Staff Services Section will be responsible for:

- a. Arranging for armed security personnel if department elects not to provide.
- b. Providing cashier to register bidders, total each bidder's purchases, calculate tax, and total receipt for each bidder.
- c. Providing cash for change as necessary and collect as bidders pay for purchased items. Accepting checks with appropriate identification for items purchased. Total sale proceeds, balance with MOSASP and deposit proceeds.
- d. Collecting on checks returned for insufficient funds, stop payment, etc.

VI. REIMBURSEMENT TO FUNDING SOURCE FROM PROCEEDS OF SALES

Property that is sold by redistribution to agencies or donees or sold to individuals by sealed bid or auction may require reimbursement less sale expenses to funding sources. If property is sold by a MOSASP sealed bid, auction, or invoice, and the sale price is less than \$100.00 per lot, no reimbursement will be made. Vehicles will have a set fee of \$150.00 or the selling price of the vehicle if less than \$150.00.

| Sale Amount | MOSASP Fee |
|-----------------------|----------------|
| Less than \$100 | 100% |
| 100.00 - 9,999.99 | 20% + expenses |
| 10,000.00 - 14,999.99 | 15% + expenses |
| 15,000.00 | 10% + expenses |

Departments may visit MOSASP to verify sale amounts, obtain copies of SS-1's to verify property sold and amounts received.

GLOSSARY OF TERMS

| TERM | DEFINITION |
|------------------|--|
| Authorized Agent | A Department/Division or a person authorized to act for and on behalf of a Department/Division Head. |

| | |
|-------------------------|---|
| Fair Market Value | Estimate of the gross proceeds that could be recovered if the property were to be sold by competitive bids. |
| Funding Source | Fund utilized originally to purchase property. When listed on SS-1, SAMII coding numbers must also be listed. |
| Hazardous Material | Any item that has a potential to become hazardous waste. |
| Hazardous Waste | Any item so defined by EPA or the Missouri Department of Natural Resources. |
| MOSASP | Missouri State Agency for Surplus Property 117 North Riverside Drive, P O Drawer 1310, Jefferson City, MO 65102-1310 Phone 573-751-3415 or 888-295-7796 Fax 573-526-8489. |
| Non-Expendable Property | Items which are of a tangible nature, have a useful life or one year or more, and cost \$250 or more at the time of acquisition. |
| Reporting Department | The Department/Agency that is accountable for the property being reported as surplus. |
| Surplus Property | Any tangible supplies, materials, or equipment for which the state has acquired ownership by means of purchase, donation, dedication, transfer, abandonment, exchange or any other lawful means, which is no longer needed by the using department. |
| SS-1 | Report of State Owned Surplus Property (form MO 300-1249) (3/98) |
| SS-2 | Redistribution Authorization (form MO 300-1254) (7/92) |
| SS-7 | Notification of Award/Receipt for Payment (form MO 300-1248) (3/98) |